GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:2906
ANSWERED ON:06.08.2015
Ageing Fleet of Vessels
Mahajan Smt. Poonam

Will the Minister of SHIPPING be pleased to state:

(a) whether the Government has taken note of the facts that the Indian vessels have grown older than the international average age and if so, the details thereof;
(b) whether the Indian overseas coasting trade has been declining over the years as a result thereof;
(c) if so, the details thereof along with the remedial steps taken by the
Government to address the issue; and
(d) the number of Indian vessels in the age-group of 15 years, 16-20 years and over 20 years?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING
(SHRI PON. RADHAKRISHNAN)

(a) Yes, Madam. As per "Shipping Statistics and Market Reviews", 2015, the international average age of vessels is 13.9 years (country of control) as on 01.01.2015 while average age of Indian vessels is 18.6 years.

(b)&(c):The age of the vessel does not have a direct bearing on the volume of trade. The factors behind the decline in Indian flag overseas sea borne trade could be due to higher tax regime applicable in India which leads to higher freight rates thus making them less competitive as compared to the freight rates in other countries which are comparatively lesser due to lower & simpler taxation structure prevailing in those countries. However, to make the Indian shipping industry competitive, Government has initiated several measures such as:

â€¢ Exemption of Customs and Central Excise Duty leviable on bunker fuels used in Indian flag vessels for transportation of EXIM and empty containers between two or more ports in India.
â€¢ Uniform abatement of service tax for transportation of goods by rail, road and sea vessels has been given in the Union Budget 2015-16.
â€¢ Indian shipping enterprises have been allowed to acquire ships abroad and also flag them in the country of their convenience.
â€¢ Acquisition of all type of ships has been brought under the Open General Licence (OGL).
â€¢ Indian Shipping industry has been provided cargo support in the form of Right of First Refusal & policy of Free On Board (FOB) import is being followed for government owned/controlled cargoes.

(d) The age profile of Indian ships as on March 31, 2015 as maintained by Indian National Shipowners' Association is as follows:

Age Group	No. of Vessel	Gross Tonnage (GT)
Up to 15 years	571	60,76,921
16-20 years	131	11,00,779
Over 20 years	508	33,28,161
Total	1210	105,05,861